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**SENATE BILL 1056**

**47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005**

**INTRODUCED BY**

**Leonard Tsosie**

**AN ACT**

**RELATING TO EDUCATION; RESTRICTING THE USE OF CERTAIN FUNDS  
UNTIL APPROVAL IS GRANTED.**

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:**

**Section 1. Section 22-8-25 NMSA 1978 (being Laws 1981,  
Chapter 176, Section 5, as amended) is amended to read:**

**"22-8-25. STATE EQUALIZATION GUARANTEE DISTRIBUTION--  
DEFINITIONS-- DETERMINATION OF AMOUNT. --**

**A. The state equalization guarantee distribution is  
that amount of money distributed to each school district to  
ensure that the school district's operating revenue, including  
its local and federal revenues as defined in this section, is  
at least equal to the school district's program cost.**

**B. "Local revenue", as used in this section, means  
seventy-five percent of receipts to the school district derived**

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1 from that amount produced by a school district property tax  
2 applied at the rate of fifty cents (\$.50) to each one thousand  
3 dollars (\$1,000) of net taxable value of property allocated to  
4 the school district and to the assessed value of products  
5 severed and sold in the school district as determined under the  
6 Oil and Gas Ad Valorem Production Tax Act and upon the assessed  
7 value of equipment in the school district as determined under  
8 the Oil and Gas Production Equipment Ad Valorem Tax Act. The  
9 school district shall budget and expend twenty percent of the  
10 total revenue receipts for capital outlay.

11 C. "Federal revenue", as used in this section,  
12 means receipts to the school district, excluding amounts that,  
13 if taken into account in the computation of the state  
14 equalization guarantee distribution, result, under federal law  
15 or regulations, in a reduction in or elimination of federal  
16 school funding otherwise receivable by the school district,  
17 derived from the following:

18 (1) seventy-five percent of the school  
19 district's share of forest reserve funds distributed in  
20 accordance with Section 22-8-33 NMSA 1978. The school district  
21 shall budget and expend twenty percent of the total forest  
22 reserve receipts for capital outlay; and

23 (2) seventy-five percent of grants from the  
24 federal government as assistance to those areas affected by  
25 federal activity authorized in accordance with Title 20 of the

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1 United States Code, commonly known as "PL 874 funds" or "impact  
2 aid". The school district shall budget and expend twenty  
3 percent of the grant receipts for capital outlay. A school  
4 district that receives funds due to the school district being  
5 affected by federal activity in the form of students who reside  
6 on Indian reservations or other tribal land shall not expend  
7 the district's share of federal funds that come to the school  
8 district as a result of that federal activity until the use of  
9 the funds has been approved by the Indian education committee  
10 in the local school district.

11 D. To determine the amount of the state  
12 equalization guarantee distribution, the state superintendent  
13 shall:

14 (1) calculate the number of program units to  
15 which each school district is entitled using an average of the  
16 MEM on the fortieth, eightieth and one hundred twentieth days  
17 of the prior year; or

18 (2) calculate the number of program units to  
19 which a school district operating under an approved year-round  
20 school calendar is entitled using an average of the MEM on  
21 appropriate dates established by the state board; or

22 (3) calculate the number of program units to  
23 which a school district with a MEM of two hundred or less is  
24 entitled by using an average of the MEM on the fortieth,  
25 eightieth and one hundred twentieth days of the prior year or

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1 the fortieth day of the current year, whichever is greater; and

2 (4) using the results of the calculations in  
3 Paragraph (1), (2) or (3) of this subsection and the  
4 instructional staff training and experience index from the  
5 October report of the prior school year, establish a total  
6 program cost of the school district;

7 (5) calculate the local and federal revenues  
8 as defined in this section;

9 (6) deduct the sum of the calculations made in  
10 Paragraph (5) of this subsection from the program cost  
11 established in Paragraph (4) of this subsection; and

12 (7) deduct the total amount of guaranteed  
13 energy savings contract payments that the state superintendent  
14 determines will be made to the school district from the public  
15 school utility conservation fund during the fiscal year for  
16 which the state equalization guarantee distribution is being  
17 computed.

18 E. The amount of the state equalization guarantee  
19 distribution to which a school district is entitled is the  
20 balance remaining after the deductions made in Paragraphs (6)  
21 and (7) of Subsection D of this section.

22 F. The state equalization guarantee distribution  
23 shall be distributed prior to June 30 of each fiscal year. The  
24 calculation shall be based on the local and federal revenues  
25 specified in this section received from June 1 of the previous

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1 fiscal year through May 31 of the fiscal year for which the  
2 state equalization guarantee distribution is being computed.  
3 In the event that a school district has received more state  
4 equalization guarantee funds than its entitlement, a refund  
5 shall be made by the school district to the state general  
6 fund. "